SUPREME COURT, U. S.

OCT 26 1961

JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1961

No. 519

BEBRY BEDDING CORPORATION,
Petitioner,

vs.

CASTRO CONVERTIBLE CORPORATION,
Respondent.

R. H. MACY & CO., INC.,
Petitioner,

vs.

CASTRO CONVERTIBLE CORPORATION,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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No.

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Petition

Petitioners, the defendants-appellants below, respectfully pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit entered in the above entitled action on May 24, 1961.

Opinions Below

The opinion of the Court of Appeals for the Second Circuit, Judge Clark dissenting, is reported at 291 F. 2d 306, and appears as Appendix A to this Petition. A petition

for rehearing was denied, Judge Clark again dissenting, on July 28, 1961, and appears as Appendix B to this Petition. The opinion of the District Court for the Eastern District of New York is reported at 181 F. Supp. 493 and appears at App. pp. 14a-21a to this Petition. The formal Findings of Fact and Conclusions of Law filed by the District Court are not reported and are presented herein App. pp. 28a-36a.

Jurisdiction

The Judgment of the Court of Appeals was entered on May 24, 1961, and appears as Appendix C to this petition. The rehearing was denied on July 28, 1961. The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1).

Questions Presented

1. Can a Court hold patent claims valid after finding infringement based on the "doctrine of equivalents," having admitted that the very element in the accused devise which appears at the point of novelty of the claims is "not new in the art" and that use of such element would be "obvious to an ordinary machanic in the art"?

2. Whether patent claims directed to combination of old elements, all of which save one are found in the same combination in the prior art, can be validly held to be infringed, by reliance upon the "doctrine of equivalents," by a structure which contains said same prior art combination of old elements and an additional element, which additional element differs from the patented structure but which was also old in the prior art in combinations closely similar to but not identical with the prior art combinations of old elements recited in the claims.

3. When a Court applies the "doctrine of equivalents" for finding infringement of patent claims, must not validity be tested in the same scope which was applied for holding infringement, when the Court made no finding as to the presence of new function or result?

Statutes Involved

Sections 102 and 103 of the Patent Act of 1952, 66 Stat. 792-814, 35 U. S. C. §§ 1-293, which are involved herein, are printed in Appendix D to this Petition.

Statement of the Case

Respondent, Castro Convertible Corporation (hereinafter referred to as "Castro"), brought actions against Petitioners, Bebry Bedding Corporation (hereinafter referred to as "Bebry") and R. H. Macy & Co., Inc. (hereinafter referred to as "Macy") in the United States District Court for the Eastern District of New York for infringement of the original Creveling Patent No. 2,664,145.

These actions were consolidated for trial. The Creveling Reissue Patent No. 24,128 was substituted for the original patent about a year after the commencement of these actions. The District Court held that the Creveling Reissue Patent was valid and infringed.

Respondents herein appealed to the Court of Appeals for the Second Circuit from that portion of the opinion holding the claims valid and infringed.

The issue raised on appeal to the Court of Appeals for the Second Circuit was considered as being one of patent infringement, with the issues of infringement and validity being before the Court. Unfortunately, the origins of the patents involved below were enmeshed in certain con-

tractual, business, and in fact even personal relationships between the parties hereto.

Castro was and is a retailer of convertible furniture including sofas, loveseats and chairs which are convertible into beds. Bebry is and has been since 1936 a manufacturer of upholstered convertible furniture. Macy is a customer of Bebry and is in the retail department store field. The subject matter involved is an article of furniture which can be used either as a bed or as a hassock.

The Bebry designed ottoman differed from the Creveling patent by the means by which the raising and lowering of the inner bed section within the frame, in response to the folding and unfolding action, was effected. The Bebry ottomans were sold to Castro for resale to Castro's customers commencing in December 1953. This business practice continued until shortly before these actions were commenced.

Castro at first was a licensee under the original patent to Creveling et al. No. 2,664,145. Thereafter Castro purchased the patent, and after seeing the Bebry construction Castro sought reissue of the Creveling patent, and it is the reissue patent which was held to be valid and infringed below.

On March 13, 1956, the Creveling Reissue Patent No. 24,128 issued. On March 19, 1957, Bebry's patent issued. During the prosecution of the Bebry patent application the Creveling patent was considered by the Patent Office and the Bebry patent was issued thereover.

Reasons for Granting the Writ

This Petition seeks review of the decisions below which present important questions concerning the patent law. Each of these questions, we submit, affords compelling reasons for granting the writ.

If the decision below is permitted to stand, it will be in contravention of the principle expressed by this Court with respect to the "doctrine of equivalents" set forth in *Graver Tank & Mfg. Co., Inc.* v. *Linde Air Products Co.*, 339 U. S. 605.

In this case the lower Courts treated the Creveling patent in a vacuum and as an absolute in determining infringement, rather than considering equivalency against the context of the prior art. Whereas this Court specifically stated in the *Graver* case:

> "What constitutes equivalency must be determined against the context of the patent, the prior art and the particular circumstances of the case. Equivalence, in the patent law, is not the prisoner of a formula and is not an absolute to be considered in a vacuum" (p. 609)

This principle stated by the Supreme Court in the *Graver* case in applying the Doctrine of Equivalents is set forth distinctly in *International Harvester Co.* v. *Killefer Mfg. Co.* (CCA9), 77 F. 2d 54, 61:

> "The range of equivalence to which a patent is entitled depends upon the scope of the invention. The range of equivalence to be allowed cannot be extended to cover means which have clear antecedents in the prior patented art."

The issue presented here is whether, on the stated factual grounds for affirmance of the Lower Court's holding of infringement by reason of the application of the doctrine of equivalents, the Creveling Reissue Patent 24,128 is not invalid as a matter of law.

Petitioners submit that the Courts below failed to test the validity of the Creveling claims in issue *in the same scope that was attributed thereto* in finding infringement.

Petitioners further submit that if the Creveling claims were tested in such scope, invalidity would have followed as a matter of law.

It is beyond dispute that "the claims measure the invention",[1] and also that the claims must necessarily be given the same construction in the resolution of the issues of both validity and infringement.[2]

The Affirmance of the Lower Court's Holding of Infringement.

In affirming the Lower Court on the infringement issue, the Court of Appeals clearly recognized that:

> "With regard to the Creveling claims, there is a great similarity to the Berby structure *except in the means by which the inner mattress frame is raised or lowered during the folding and unfolding operations.*" (Opinion App. 95a)

The same, however, is equally true when the same Creveling claims are compared with the prior art Frank[3]

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[1] *United Carbon Co. v. Binney & Smith Co.*, 317 US 228, 232; *Milcor Steel Co. v. Fuller Co.*, 316 US 143, 145-6; *General Electric Co. v. Wabash Co.*, 304 US 364, 369.

[2] *Leeds and Northrup Co. v. Doble Engineering Co.*, 159 F2d 644, 648; *Chicago Steel Foundry Co. v. Burnside Steel Foundry Co.*, 132 F2d 812, 814-5; *Sager v. Glove Corp.*, 118 F2d 873, 874; *Directoplate Corp. v. Donalson Lithographing Co.*, 51 F2d 199, 203-4.

[3] With respect to this Frank patent, this Court should expressly note that (a) plaintiffs' expert Willis, whose testimony was accepted by the Lower Court, *did not testify at all about the prior art* much less testify about this Frank patent; (b) that the Frank patent also discloses means for raising and lowering the inner mattress frame in response to the folding and unfolding of the frames; (c) this Frank patent was not considered by the Patent Office; and (d) as a matter of law prior art patents are presumed operable and "defects which can be corrected by ordinary skill will not destroy it as a reference". *Western States Mach. Co. v. S. S. Hepworth Co.*, 147 F2d 345, 347-8.

patent (1,945,186—App. 57a-61a), as expressly recognized by Judge Clark in his dissent. (Opinion App. 98a)

In view of the above, it is beyond dispute that the only assertable point of novelty in the Creveling claims must lie in the specifically recited means for effecting the raising and lowering of the inner mattress frame. It was right at this point that the doctrine of equivalents was applied by the District Judge to bring the *admittedly different* Bebry construction for effecting the raising and lowering of the inner mattress frame within the scope of the Creveling claims in issue.

In affirming the holding below, the Court of Appeals noted that the Lower Court based its application of the doctrine of equivalents expressly on the following fact findings (Opinion App. 95a):

(a)—"that the criss-cross legs used by Bebry, . . . were not new in the art;"

(b)—"that the use of such a mechanism would have been obvious to an ordinary mechanic in the art."

The above quoted fact findings were accepted as being "amply supported by the evidence" and to "justify the conclusion of law that the Bebry ottomans infringed upon the Creveling patent" (Opinion App. 95a, 96a). As such, *pro tanto*, the same findings of fact must also be accepted in determining the issue of validity and require, as we will now demonstrate, a reversal of the holding of validity.

As Construed for Infringement Purposes, the Creveling Patent is Invalid.

When the above quoted fact findings as to the Bebry structure are accepted on the validity issue, as they must be, *they then become equally applicable to Creveling, in the scope*

construed, since by the holding of infringement, the Creveling claims have now been expanded to incorporate and cover the Bebry structure for raising and lowering the inner mattress frame. *It is in this posture that the validity of the Creveling claims must be determined.*

In such posture we have the anomalous situation in which:

(1) the prior art Frank patent clearly discloses, in the *identical combinational* arrangement, all of the Creveling claimed structure with slightly different but equally old means for raising and lowering the inner mattress frame; and

(2) the claim elements of Creveling relating to the specifically recited means for raising and lowering the inner mattress frame are given a scope, for infringement purposes, to cover the Bebry structure, which structure, the majority of this Court has held to be

(a) old in the art, and

(b) the use thereof being such as to "have been obvious to an ordinary mechanic in the art."

(Opinion App. p. 95a)[1]

Thus, *in the scope construed,* the Creveling patent is invalid, for, if the accused Bebry structure for raising and lowering the inner mattress frame was such as to be *old* and *"obvious"*, as expressly found (Opinion App. p. 95a), then whenever the Creveling claims are given sufficient scope to

[1]Judge Clark noted (Opinion App. 98a) that both Creveling and Bebry patents were anticipated by the Frank patent, except for the manner in which the bottom section is raised and lowered within the base frame. However, he noted that the specific mechanisms in Creveling and Bebry were anticipated by the prior art, Freedman U. S. Patent No. 1,265,073 (App. pp. 46a-56a) and the French Patent No. 850,835 (App. pp. 63a-79a), respectively.

cover such *old* and *"obvious"* elments of the Bebry structure the claims are thus clearly anticipated.

The above conclusion is further reinforced when the additional finding is considered that the accused Bebry structure for raising and lowering the inner mattress frame performs "substantially the same function in substantially the same way as to obtain the same result" (Opinion App. p. 95a) as Creveling. If Bebry was old and "obvious", as expressly found below, it also follows that the functions and mode of operation performed thereby were likewise old and obvious. Thus, in finding equivalency for infringement purposes, such old functions and mode of operation are directly incorporated into the Creveling patent. Under such circumstances the Creveling claims, *as herein construed,* are clearly invalid under the rule of *Supermarket Equipment Corp.* v. *Great Atlantic and Pacific Tea Co.,* 340 US 147, wherein the Court stated at page 151:

> "The negative rule accrued from many litigations was condensed about as precisely as the subject permits in Lincoln Engineering Co. v. Stewart-Warner Corp., 303 U. S. 545, 549: 'The mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that heretofore performed or produced by them, is not patentable invention.'"

The words of this Court at page 152 are also very pertinent to the situation here presented and to the Creveling claims *in the scope construed for infringement purposes:*

> "Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements. The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary, their effect is to subtract from former resources freely available to

> skilled artisans. A patent for a combination which only unites old elements with no change in their respective functions, such as is presented here, obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men. This patentee has added nothing to the total stock of knowledge, but has merely brought together segments of prior art and claims them in congregation as a monopoly."

It is to be specifically noted that the District Court made no finding whatsoever as to the presence in Creveling of new functions or mode of operation (App. 15a-21a, 28a-36a). Nor could any such finding be made in view of the prior art Freedman patent 1,265,073 (App. 46a-56a) which discloses the identical toggle lever construction for raising and lowering the inner mattress frame as disclosed in Creveling, as Judge Clark expressly stated in his dissent. (Opinion App. 98a)

As demonstrated herein, the Courts below failed to test the question of infringement of the Creveling patent, reissue No. 24,128 in the same scope as they attributed to said patent on the validity issue.

As stated heretofore we believe that the basis of finding infringement herein by this Court through its majority was predicated upon the misapplication of the Doctrine of Equivalents, and in so holding, the majority failed to heed the caution of the Supreme Court in the cited *Graver Tank & Mfg. Co., Inc.* v. *Linde Air Products Co.* case, 339 U. S. 605.

In *Union Carbide & Carbon Corp.* v. *Graver Tank & Mfg. Co., Inc. et al.*, 196 F. 2d 103, cert. den. June 2, 1952, the Court of Appeals for the Seventh Circuit had before it a contempt action with regard to certain flux claims of the Jones Patent No. 2,043,960 involved in the *Linde* case (supra, 339 U. S. 605). The controversy revolved around

an effect given to a requirement of the claims that the composition contain "a major portion of one or more alkaline earth metal silicates". This claim requirement was not before the Courts in the *Linde* case, where validity was determined and infringement on the doctrine of equivalents was adjudicated. The Court in reviewing and vacating a holding of contempt stated, at p. 112:

> "In our opinion, the application of the doctrine of equivalency in this case is to ignore the teachings of the patent, the representation upon which the claims in suit were allowed and, more pointedly perhaps, the representations by which their validity has been sustained in the courts. While the difference between plaintiff's composition and those accused may not be great, it is that difference which distinguished plaintiff's composition from the prior art and which enabled it to sustain the validity of its grant. It is now estopped from claiming otherwise."

And, lastly, petitioners urge that the Creveling patent as construed by the Court of Appeals in their holding of its infringement by the Bebry structure which consisted of old elements as was found by the Court of Appeals and thus when such a construction is placed upon the Creveling claims, they must fall and be invalid and void in law.

CONCLUSION

The interpretation which the Court of Appeals has placed upon the application of the Doctrine of Equivalents is clearly wrong and it is in conflict with decisions of this honorable Court.

The decision below stands for the erroneous proposition that a patent claim is measured in one manner in applying the Doctrine of Equivalents to hold infringement of an admittedly old combination of elements at the very point

of novelty, and then ignoring this admittedly old element when holding validity.

For the above reasons, petitioners respectfully pray that their petition for a Writ of Certiorari be granted.

Respectfully submitted,

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Appendix A

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

Nos. 188-189—October Term, 1960.

(Argued January 10, 1961 Decided May 24, 1961.)

Docket Nos. 26209-10

Docket No. 26209

CASTRO CONVERTIBLE CORPORATION,

Plaintiff-Appellee,

—against—

BEBRY BEDDING CORPORATION,

Defendant-Appellant.

Docket No. 26210

CASTRO CONVERTIBLE CORPORATION,

Plaintiff-Appellee,

—against—

R. H. MACY & CO., INC.,

Defendant-Appellant.

Before:

CLARK, WATERMAN and MOORE,

Circuit Judges.

Appendix A

Defendants Bebry Bedding Corporation and R. H. Macy & Co., Inc., appeal from a judgment (Bruchhausen, *Ch. J.*) entered in the Eastern District of New York (opinion reported, 181 F. Supp. 493) holding a patent owned by plaintiff valid and infringed and dismissing counterclaims for infringement, breach of contract and unfair competition.

Affirmed.

ROBERT D. SPILLE, New York, N. Y. (Curtis, Morris & Safford, John A. Mitchell, Arthur V. Smith, New York, N. Y., on the brief), *for plaintiff-appellee.*

THOMAS J. BYRNE, JR., New York, N. Y. (Keith, Bolger, Isner & Byrne, Paul S. Bolger, Robert E. Isner, on the brief), for defendant-appellant.

MOORE, *Circuit Judge:*

Defendants, Bebry Bedding Corporation (Bebry) and R. H. Macy & Co., Inc. (Macy) appeal from a decree and order for injunction and accounting (judgment) wherein the trial court determined that plaintiff, Castro Convertible Corporation (Castro) is the owner of reissued Letters Patent #24,128 (reissue application date December 13, 1954; reissued March 13, 1956, replacing original Letters Patent #2,664,145 issued December 29, 1953), in the name of Catherine B. Creveling and Elmer L. Pennell (the Creveling patent); that claims 1, 2, 3, 4, 5, 6, 9 and 11, 12, 13 and 14 of Re #24,128 are valid and have been infringed by Bebry and Macy; that Letters Patent #2,785,416 issued to Bebry on March 19, 1957 (application filed December 3, 1953) and the claims therein are invalid; that Bebry's

counterclaims should be dismissed; that an injunction issue against defendants permanently enjoining them from infringing; and that defendants account to plaintiff for damages resulting from such infringement.

On this appeal appellant argues that the action must be considered as purely one of patent infringement and patent validity. Certain background facts bear upon a proper resolution of these issues presented.

Castro is a retailer of convertible furniture (convertible into beds) which it sells through a chain of 38 retail stores. Bebry since 1936 has been a manufacturer of such furniture. Macy is a large retail department store with branches selling such furniture.

In the summer of 1952, Mrs. Creveling and her co-inventor Mr. Pennell submitted to Castro a model of a hassock or ottoman, which by an unfolding process became a bed. A model offered by them a year earlier to Castro had been rejected. The 1952 model, which the trial court found embodied the invention covered by the Creveling patent, was accepted by Castro.

This model, embodying the Creveling patent principles, Castro submitted to Bebry for manufacture. Bebry, never having seen a folding ottoman bed before, expressed doubt as to its possibilities of success but for an order of 1,000 agreed to manufacture the Creveling ottoman exclusively for Castro. Bebry was informed that the Creveling patent application was pending. About a year later (approximately Fall, 1953), Bebry delivered the production model to Castro which accepted it and soon thereafter placed the ottomans on sale. Some 5,000 were sold by Bebry to Castro in the first full year of manufacture. In December, 1953, shortly after Castro's acceptance of the production model, without Castro's knowledge, Bebry filed a patent application for an ottoman bed. Bebry did not inform his patent attorney who

prepared his patent application that he had the Creveling model in his possession. A patent was issued on this application on March 19, 1957.

In the meantime Macy, which had been handling a non-folding ottoman bed without too much success, became aware of the Creveling ottoman advertised by Castro and tried to buy them from Bebry. Despite the agreement to sell exclusively to Castro, Bebry in January, 1955, commenced selling the ottomans to Macy. On February 8, 1955, these suits for patent infringement, injunction and accounting were brought against Bebry and Macy.

Briefly stated appellants rely upon three fundamental points, (1) the failure of the trial court to apply the proper legal determinants in the resolution of the infringement and validity issues ("the claims measure the invention");[1] (2) erroneous application of the principle of equivalence; and (3) invalidity because of prior art.

The facts as found by the trial court were supported by substantial evidence. The court not only heard and saw the witnesses including the experts but made a visual inspection of the ottoman beds and saw motion pictures and still pictures disclosing the methods of operation.

In arguing invalidity defendants rely heavily on prior disclosures shown in the Frank patent No. 1,945,186 issued in January, 1934, for a folding couch or davenport, and the Freedman patent No. 1,265,073 issued in May, 1918, for a bed structure for davenport. The trial court, however, found that these patents were not anticipatory and that there was no evidence that any of them had or could have functioned in actual operation. Significance also may be attached to the fact that there had been no successful commercial development of either the Freedman or Frank principles since 1918 and 1934, respectively. Yet when the Creveling-Castro ottoman was marketed in 1954, it achieved

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[1] *Milcor Steel Co.* v. *Fuller Co.*, 316 U. S. 143 (1942).

immediate commercial success. See *Waring Products Corp.* v. *Landers, Frary & Clark*, 2 Cir., 1959, 263 F. 2d 160. In addition, from the testimony of a Bebry official came "persuasive evidence that the ottoman was not obvious even to those closely allied with the bed business" (181 F. Supp. 493, 495). Upon the entire record, the trial court was amply justified in concluding that the "Creveling patent is valid."

With regard to the Creveling claims, there is great similarity to the Bebry structure except in the means by which the inner mattress frame is raised or lowered during the folding and unfolding operations. Appellant claims that there are basic structural and operational differences between the Creveling and Bebry mechanisms by which this operation is accomplished. The resolution of these technical and mechanical questions must, of necessity, be within the realm of expert testimony. The trial court found that the testimony of defendants' expert was "unpersuasive" and that the testimony of other key witnesses for defendants on disputed issues of fact was unconvincing. Conversely, the trial court accepted as credible the testimony of plaintiff's expert whom he characterized as highly skilled in the convertible bed furniture art and found that the criss-cross legs used by Bebry, which Bebry urged constituted a different structure and principle of operation, were not new in the art; that they perform substantially the same function in substantially the same way to obtain the same result,[2] and were equivalent to the single toggle lever of the Creveling patent; and that the use of such a mechanism would have been obvious to an ordinary mechanic in the art. These fact conclusions of the trial court were amply supported by the evidence and justify the conclusion of law that the Bebry ottomans infringed upon the Creveling patent.

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[2]*Graver Tank & Mfg. Co., Inc.* v. *Linde Air Products Co.*, 339 U. S. 605, 608.

Appendix A

The finding of equivalency of the Bebry means for raising and lowering the inner mattress frame to the Creveling mechanism also requires the conclusion that the Bebry patent is invalid for lack of invention over the earlier Creveling structure.

The counterclaims of Bebry were properly dismissed.

The judgment (decree, order for injunction and accounting) is affirmed.

CLARK, *Circuit Judge* (dissenting):

In my view the plaintiff's Creveling patent and the defendant's Bebry patent were both anticipated in all their essentials by the prior art, and both should fall for want of invention.

The Creveling and Bebry patents relate to an article of furniture which can be used either as a bed or as a hassock, and which can be easily converted in a single continuous operation from the one type of furniture into the other. Both patents use three hinge-connected sections of substantially equal size, which are foldable, one over the other, into a rectangular base frame. When so folded, the uppermost section, which constitutes the foot of the bed when the unit is open, becomes the seat of the hassock. The hassock may be opened into a bed by lifting the top section up and forward. This motion draws out the middle section, which is attached to the top section by a hinge or pivot. This movement of the middle section causes the lower section to rise vertically within the base frame to the top of the frame. In this new position the lower section constitutes the head of the bed, the middle section is the middle of the bed, and the top section of the hassock is the foot of the bed. In closing the bed, the top or foot end is lifted upward toward the base frame. This motion

causes the middle section to pivot into a position where it may fold into the base frame in a position between the top and bottom sections. As the middle section begins to fold toward the hassock it causes the bottom section to descend vertically within the hassock.

The only difference between the Creveling and Bebry patents is the manner in which the folding or unfolding movements of the middle section causes the bottom section to descend or ascend within the base frame. In the Creveling patent, the bottom section is supported by toggle links, pivotally connected at the center, and pivoted at the ends to the bottom section and to the bottom of the base frame, respectively. The center of this toggle linkage is connected by a series of levers to the middle section of the bed. As a result, the lifting and unfolding operation of the middle section imparts a straightening action to the toggle links, which in turn lifts the bottom frame. Conversely, the folding of the middle section back into the hassock causes the toggle links to collapse, with the result that the bottom section, supported by those links, descends vertically within the base frame. In the Bebry patent, the bottom section is connected to the base frame by criss-cross legs instead of the single toggle lever of the Creveling patent. As the trial court found, however, the criss-cross legs perform substantially the same operation in substantially the same way as the single toggle lever. When the bed is open, a folding of the middle section toward the base frame causes the criss-cross legs to collapse, with the result that the bottom section, supported by those legs, descends within the base frame. Conversely, a lifting and unfolding of the middle section causes the criss-cross legs to rise and to elevate the bottom section to the top of the

base frame. As in the case of the Creveling patent, the motion of the middle section is transmitted to the bottom section and to its supporting mechanism by appropriate intermediate levers.

Thus the two patents are similar; but there is nothing novel in either one of them. Except for the manner in which the bottom section is raised and lowered within the base frame, both patents were fully anticipated by U. S. Patent No. 1,945,186, issued January 30, 1934, to William E. Frank for a "Folding Couch or Davenport." Like the patents involved in the present case, Frank's folding couch used three hinge-connected sections of substantially equal size which were foldable, one over the other, into a base frame, and which opened to form a bed. In all three patents the folded bed is opened by lifting the top section up and forward—a movement which draws out the middle section —and is closed by reversing this process. In the Frank patent, the base frame was a davenport or short couch of the width of the conventional double bed, while the Creveling and Bebry patents use a hassock as a base frame. But a variation in the width of this structure does not involve any element of novelty. The only other difference between them, also of no consequence, is the fact that the Creveling and Bebry patents permit collapsing of the bed with the mattress still attached to the frame, while in the Frank couch the mattress must be removed, to be folded and stored between the middle and bottom sections of the folded couch.

So far as the raising and lowering of the bottom section is concerned, the mechanisms employed to accomplish this by the two patents before us were both present in the prior art. The toggle links used by the Creveling patent were anticipated by U. S. Patent No. 1,265,073, issued May 7, 1918, to Hyman and Nathan M. Freedman for a folding davenport. Similarly, the criss-cross legs used by the Bebry

patent appeared in French Patent No. 850,835, issued September 18, 1939, to Jules Devillechabrolle for "Improvements of folding sofa beds and chair beds." The combining of the contributions of these prior inventors does not call for any special ingenuity or skill.

Accordingly both patents before us are invalid for a lack of novelty, irrespective of whether the patented articles of the prior inventors were functionally successful or commercially profitable independently. In their opinion my brothers rely more on the trial judge's assumed findings of fact than is done generally in patent cases; in so doing I think they have overlooked the settled rule that invention is a question of law, usually a serious and important one, to be settled only upon a careful comparison of the claimed new product over the prior art. Here the significant disclosures in the earlier patents cited demonstrate that neither of the present parties really shows any novelty or is entitled to maintain a claim for patent infringement. I would therefore reverse the judgment below.

Appendix B

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

CASTRO CONVERTIBLE CORPORATION,
Plaintiff-Appellee,

v.

BEBRY BEDDING CORPORATION,
Defendant-Appellant.

CASTRO CONVERTIBLE CORPORATION,
Plaintiff-Appellee,

v.

R. H. MACY & CO., INC.,
Defendant-Appellant.

Before:

CLARK, WATERMAN and MOORE, *Circuit Judges.*

ON PETITION FOR REHEARING.

Thomas J. Byrne, Jr., Paul S. Bolger, and Robert E. Isner, of Keith, Bolger, Isner & Byrne, New York City, for defendants-appellants.

PER CURIAM.

Petition for rehearing denied.

STERRY R. WATERMAN
LEONARD P. MOORE
U.S.C.JJ.

I dissent and vote to grant.

CHARLES E. CLARK
U.S.C.J.

July 28, 1961.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
FILED JULY 28, 1961
A. DANIEL FUSARO, CLERK

Appendix C

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

At a Stated Term of the United States Court of Appeals, in and for the Second Circuit, held at the United States Courthouse in the City of New York, on the twenty-fourth day of May, one thousand nine hundred and sixty-one,

Present:

HON. CHARLES E. CLARK,
HON. STERRY R. WATERMAN,
HON. LEONARD P. MOORE,
Circuit Judges.

CASTRO CONVERTIBLE CORPORATION,
Plaintiff-Appellee,

v.

BERRY BEDDING CORPORATION,
Defendant-Appellant.

Appeal from the United States District Court for the Eastern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Eastern District of New York, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now hereby ordered, adjudged, and decreed that the judgment of said District Court be and it hereby is affirmed.

A. DANIEL FUSARO,
CLERK

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
FILED MAY 24, 1961
A. DANIEL FUSARO, CLERK

Appendix C

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

At a Stated Term of the United States Court of Appeals, in and for the Second Circuit, held at the United States Courthouse in the City of New York, on the twenty-fourth day of May, one thousand nine hundred and sixty-one,

Present:

HON. CHARLES E. CLARK,
HON. STERRY R. WATERMAN,
HON. LEONARD P. MOORE,
Circuit Judges.

CASTRO CONVERTIBLE CORPORATION,
Plaintiff-Appellee,

v.

R. H. MACY & CO., INC.,
Defendant-Appellant.

Appeal from the United States District Court for the Eastern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Eastern District of New York, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now hereby ordered, adjudged, and decreed that the judgment of said District Court be and it hereby is affirmed.

A. DANIEL FUSARO,
CLERK

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
FILED MAY 24, 1961
A. DANIEL FUSARO, CLERK

Appendix D

Title 35 U. S. C. § 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

* * *

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

* * *

Title 35 U. S. C. § 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Office-Supreme Court, U.S.
FILED
DEC 11 1961
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1961

No. 519

BEBRY BEDDING CORPORATION,
Petitioner,
vs.
CASTRO CONVERTIBLE CORPORATION,
Respondent.

R. H. MACY & CO., INC.,
Petitioner,
vs.
CASTRO CONVERTIBLE CORPORATION,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1961

BEBRY BEDDING CORPORATION, *Petitioner,* vs. CASTRO CONVERTIBLE CORPORATION, *Respondent.*	No. 519
R. H. MACY & CO., INC., *Petitioner,* vs. CASTRO CONVERTIBLE CORPORATION, *Respondent.*	

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Foreword

No one of the "Questions Presented" by the petition (P. 2-3) arises from the record in this case. Each question involves a false factual predicate, contrary to the concurring findings of both courts below. The courts below applied accepted principles and rules of patent law to the credible evidence before them. The "Questions Presented," insofar as they are comprehensible, are purely artificial and contrary to the issues as decided below.

Statute Involved

In addition to 35 U. S. C. Sections 102-103 which are set forth in Appendix D of the Petition, the following statute is involved:

> **35 U. S. C. § 282. Presumption of Validity; defenses.** A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.

* * * * *

The "Questions Presented" Do Not Arise

Question 1

Question 1 presupposes that the courts below made some sort of an "admission" as to what was the alleged novel element of respondent's patented structure and then in the same breath declared such element "not new" and obvious to an ordinary mechanic. Neither the concurring opinions below nor the record supports such semantic juggling on the part of petitioner. Nowhere in the petition can one find documentation as to where this imaginary "admission" took place. Petitioner blithely asserts, without evidence, that it "is beyond dispute that the only assertable point of novelty" in the involved Creveling patent is what petitioner contends. There is simply no support for this assertion by petitioner and the opinions below amply refute petitioner's contention.

Question 2

Question 2 is simply Question 1, restated in less comprehensible form.

Question 3

Question 3 is artificial and assumes that the courts below applied different standards of interpretation on the issues decided. The record shows that the Creveling patent claims were given the same interpretation on the issue of validity as given on the issue of infringement.

Statement of the Case

This case presents the ordinary, usual issues of a patent infringement action. No novel or unsettled questions of patent law were raised or decided. The District Court devoted 5 full days to the trial, heard 11 witnesses testify (including expert witnesses for each side), considered lengthy briefs as well as comprehensive findings proposed by both sides and entered its judgment and findings only after extensive oral argument for reconsideration by petitioners. The trial court also observed motion pictures and courtroom demonstrations of the patented and infringing structures before it. The majority of the Court of Appeals noted that the case involved disputed technical and mechanical questions and that "The resolution of these technical and mechanical questions must, of necessity, be within the realm of expert testimony." It pointed out that the trial judge had properly accepted the testimony of respondent's expert witness whom he had found to be truthful and highly skilled in the art and, equally properly, had refused to rely on certain testimony of petitioners' expert and other key witnesses whom he had found to be "unpersuasive" or "unconvincing".

The statement of facts is best set forth in the opinion of the Court of Appeals. Suffice it to say that petitioners' version of the facts is quite distorted as compared with the findings below.

For example the petition (pp. 3-4) glosses over the basic facts of the case by stating: "Unfortunately, the origins of the patents involved below were enmeshed in certain contractual, business, and in fact even personal relationships between the parties hereto." This euphemistic statement falls far short of the truth.

The record shows, as restated in the opinions and findings below, that petitioners' Mr. Bebry had scoffed at the idea of the Creveling ottoman bed and had refused to manufacture it for respondent's Bernard Castro until petitioner was guaranteed against the possibility of loss (Appendix A, p. 93a). As soon as Bebry appreciated the inventive and commercial value of the Creveling structure he stealthily tried to patent it himself (Appendix A, pp. 93a-94a). Meanwhile petitioner, R. H. Macy & Co., a nationwide retailer and competitor of Castro, had tried to sell a non-folding ottoman bed without too much success (Appendix A, p. 94a). As soon as the Castro-Creveling ottoman bed appeared on the market, Macy's was anxious to buy it (Findings 20, 21, Appendix A, p. 32a) and finally did so. This result was not too unexpected since Mr. Bebry had previously (and unsuccessfully) tried to persuade Bernard Castro not to pay royalties on the Creveling invention to Mrs. Creveling, the inventor (Appendix A, pp. 16a-17a). With such a history of deceit and double-dealing, perhaps it should have been foreseen that Bebry would also break his agreement with Castro

and manufacture the Castro-Creveling ottoman bed for Macy's—potentially a more profitable source of business for Bebry.

Argument

This is not a case involving an important issue of constitutional law or even a difficult question of statutory interpretation on which the lower courts need guidance. There is no diversity of opinion between circuits on the Creveling patent in suit, there is no conflict with any decision of this Court, there has been no departure from established judicial procedure and there is no question of public importance to be resolved.

Instead, this is just another case in which disgruntled losing parties want another hearing before another tribunal to further postpone the day of reckoning when they must account for an infringement held to be "deliberate and wilful" (Appendix A, p. 36a, Conclusion of Law 3).

The courts below were not only aware of the equitable aspects of this controversy but also carefully considered the same technical arguments once again advanced by petitioners.

For example, petitioners argue that their copy of the Castro-Creveling invention does not infringe and that the Creveling patent is invalid. No longer do they contend that Bebry had obtained a valid patent for himself. Such a contention is impossible in view of the finding below that petitioners' expert had "conceded that the objects or purposes of the Bebry patent were achieved by the original Creveling model and that Bebry's claims covered it. (R 602-607)" (Appendix

A, p. 18a). The courts below thus applied the axiom of patent law that a structure which, if later, infringes, if earlier, is an anticipation. By conceding that the claims of the Bebry patent covered the earlier model of Creveling, petitioners' expert, in substance, admitted that the Bebry patent is invalid. He also admitted that petitioners' copy of the earlier Creveling model and patent was an infringement.

Petitioners' expert thus agreed on these two key issues with respondent's expert Willis. The District Court summed up the further evidence of infringement as follows (Appendix A, p. 20a):

> "Plaintiff's expert, Willis, highly experienced in this field, well sums up the credible evidence that the criss-cross legs are an extended toggle; that the principle of operation of the criss-cross legs and the Creveling toggle is the same, i.e., to raise the inner section of the ottoman bed to the sleeping position (R. 58-73). While Bebry did not copy Creveling in every detail, such as substituting criss-cross legs for the Creveling toggle, he devised a bed for the doing of the same work as Creveling and thus accomplished substantially the same result. This constitutes infringement. Graver Tank & Mfg. Co. Inc. *v.* Linde Air Products Co., 339 U.S. 605, 607. Bebry's substitution was a distinction without a difference. This was further demonstrated in the hair-splitting testimony of defendant's expert Hughes, when called upon to define a toggle. Even he was unable to distinguish between the effect of the cross legs and the toggle."

Far from departing from this Court's admonitions on how to interpret patent claims, it is clear that the courts below relied on the most recent decision of this

Court on the subject, and correctly applied it to the evidence before them.

So much for infringement.

On the issue of validity, petitioners have retreated substantially from their arguments below that a large number of prior art patents disclose the Castro-Creveling ottoman bed. As noted by the District Court, petitioners once asserted that twenty-two old patents disclosed the invention in issue. At the trial, petitioners urged that 4 patents to Freedman (1918), DeDoes (1918), Lamb (1928) and Frank (1934) showed respondent's invention. Now, petitioners pin all their hopes on two of these four (Petition, pp. 6-10).

First of all neither of these patents shows, or is even asserted to show, an ottoman bed. Indeed, petitioners are driven to the stage of mentally re-combining and re-constructing bits and pieces of these last-straw patents and then arguing that this sort of mental gymnastics would have been obvious to those skilled in the art. This approach was rejected by both courts below which found that one of petitioners' officials gave testimony which was "persuasive evidence that the ottoman was not obvious even to those closely allied with the bed business" (Appendix A, p. 95a). In further refutation of petitioners' argument is the fact that both courts found "these patents were not anticipatory and that there was no evidence that any of them had or could have functioned in actual operation" (Appendix A, p. 94a).

Not only was there no evidence of operability of these two patents but petitioners' own expert "Hughes,

doubted their operability without substantial re-design" (Appendix A, p. 18a). Thus petitioners' specious argument that anyone could have come up with the Castro-Creveling invention after perusing the Frank and Freedman patents flies in the teeth of the evidence, including testimony from two of petitioners' own witnesses.

Conclusion

The judgment below is free of error, supported by the credible evidence and the petition should be denied.

Respectfully submitted,

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